



THE SENIORS COALITION

Working for a Responsible America

May 19, 2004

Chief Clerk
Illinois Commerce Commission
527 East Capitol Avenue
Springfield, IL 62701

Dear Sir/Madam:

As a group representing millions of American seniors and tens of thousands of Illinois seniors, the Seniors Coalition is writing to the Illinois Commerce Commission to express our members' concern with the threat of higher telephone rates if the commission accepts SBC's recommendation for wholesale prices. This would result in a negative impact on all consumers and the prices we pay for local telephone service.

The Coalition is calling on the ICC to push for a process that will preserve reasonable wholesale rates, require transparency in the process and create a level playing field for all phone companies.

The Coalition applauds your efforts to set rates at a level that will allow competition in Illinois. According to the CFA, this action saves consumers more than \$630 million. But recent events concern our members. A report written by your staff that warned of bullying by SBC showed the egregious anti-competitive and anti-consumer behavior it uses to prevent meaningful competition.

The Seniors Coalition (www.senior.org) represents than four million of America's senior citizens. Our mission is to protect the quality of life and economic well being for older Americans, while supporting common sense solutions to the challenges of the future.

Many of us are reliant on affordable telephone service to stay connected with friends and family, we are troubled by the lack of progress seen after the DC Circuit Court decision that could throw out state regulators' authority to set wholesale rates. The former monopoly phone companies seem interested only in negotiating with small companies that will not threaten their market share, not larger companies in the spirit of true competition.

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In addition, it is important for state regulators to require open access to all of the details of these deals. From the little information available on the SBC-Sage agreement, we see that Sage, a minor competitor to SBC, must continue to use the existing network and is limited in its ability to build its own switches. This guarantees SBC profits from valuable customers and handicaps the small competitors, even if we choose to use a phone company other than SBC.

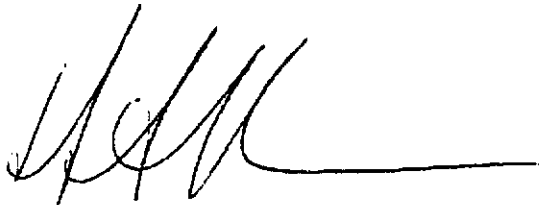
The Coalition is especially concerned about reasonable pricing for the "natural monopoly" of the "last mile" loop in order to foster facilities-based competition when competitive companies are able to build their own switches. This would be the only piece of the existing network that competitors using their own facilities still would need, and about which the regulators must remain vigilant. We need the help of state regulators to ensure that access remains available at cost-based rates. With open and transparent negotiations between telecom carriers, regulators can ensure that this access is maintained and competition thrives.

Without having to think about it, our members, like most Americans, enjoy the benefits of competition emerging in the telecommunications industry, saving us billions of dollars. They enjoy low phone rates and can easily call across the country. For many seniors, some of whom may have limited mobility, these telecommunications services serve as a vital link to the world.

The ICC must take affirmative steps to ensure that the telecom marketplace remains open to competitors. Increased competition is necessary for seniors to get not only their basic phone service, but also gain access to broadband services and the latest telecommunications technologies. If facilities-based competition is to succeed, the Bells must have an incentive to negotiate and the "last mile" price must be kept at a level that makes competition possible.

Thank you for your consideration of these issues.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dave Herman', with a long horizontal line extending to the right.

Dave Herman
Executive Director